

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 99-082

May 7, 1999

ONESTAR LONG DISTANCE, INC.  
Petition for Finding of Public  
Convenience and Necessity to  
Provide Service as a Local  
Exchange Carrier as a Reseller  
and as a Reseller Telephone Utility

ORDER GRANTING AUTHORITY  
TO PROVIDE LOCAL EXCHANGE  
SERVICE AS A RESELLER  
AND APPROVING SCHEDULE OF  
RATES AND TERMS AND  
CONDITIONS

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WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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In this Order, the Commission grants OneStar Long Distance, Inc. (OneStar or Company) the authority to provide competitive local exchange service as a reseller in the State of Maine, and approves the Company's Terms and Conditions and Rate Schedules. We also exempt OneStar from the requirements of Chapter 210, *Uniform System of Accounts*, and of 35-A M.R.S.A. §§ 707 and 708, subject to the conditions described below.

**I. APPROVAL OF APPLICATION TO SERVE**

On February 5, 1999, pursuant to 35-A M.R.S.A. §§ 2102 and 2105, OneStar filed a petition with the Commission requesting authority to provide local exchange telephone service as a reseller in Maine. In Docket No. 93-200, OneStar has previously obtained authority from the Commission to provide interexchange service.

35-A M.R.S.A. § 2105 requires us to find that the public convenience and necessity require another utility to serve where another utility is already authorized or is providing the same or similar service, before we grant approval under section 2102 for an additional public utility to provide service.

47 U.S.C. § 253(a), enacted by the Telecommunications Act of 1996, states:

(a) In General. No State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunication service.

47 U.S.C. § 253(b) states, however:

(b) State Regulatory Authority. Nothing in this section shall affect the ability of a State to impose, on a competitively neutral basis and consistent with section 254, requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers.

We find that granting OneStar the authority to provide local exchange service will not impede the preservation or advancement of the public interest goals or policies stated in section 253(b).

We have previously found that OneStar is qualified to provide interexchange service. We therefore find that its financial and management capabilities are adequate to provide local services in Maine.

## **II. SERVICE TERRITORY**

OneStar has requested authority to provide local exchange service throughout the state in all areas served by Bell Atlantic-Maine. It states that it will offer service only as a reseller of local exchange service provided by other Local Exchange Carriers (LECs) in that area. We define local resale as the offering of local exchange service purchased from another Competitive Local Exchange Carrier (CLEC) pursuant to 47 U.S.C. § 251(b)(1) or from an Incumbent Local Exchange Carrier (ILEC) at a wholesale discount pursuant to 47 U.S.C. § 251(c)(4). The purchase of unbundled network elements from an ILEC and their use in providing local exchange service is facilities-based service and not resale. OneStar's authority to provide local exchange service is limited to resale unless it obtains further authorization from the Commission.

OneStar's proposed Rates, Terms and Conditions, which we approve today, also limit its local exchange service offerings to resold services and its service territory to the areas served by Bell Atlantic. If OneStar wishes to expand the scope of its authority in the future to provide facilities-based switched local exchange services, it shall seek approval pursuant to 35-A M.R.S.A. § 2102, requesting the Commission to amend this Order. OneStar shall simultaneously file amended Rates, Terms and Conditions pursuant to 35-A M.R.S.A. § 307 that state its service territory for facilities-based local exchange service. That service territory shall be limited to those areas in which it will be ready to provide facilities-based switched local exchange service within a reasonable period of time. The application shall include information establishing that readiness. It is not necessary for a CLEC with existing authority to present a full application in order to request additional service territory authority. The Commission will act expeditiously on any such application and revisions of Terms and Conditions.

### **III. APPROVAL OF TERMS AND CONDITIONS AND RATE SCHEDULES**

We allow the terms and conditions proposed by OneStar to go into effect. OneStar has used the Commission's expedited process. That process includes standard terms and conditions that comply with Maine law and the Commission's Rules. We have reviewed the Company's petition, Terms and Conditions, and Rate Schedules, and they appear to comply with Maine law and the Commission's Rules. Nevertheless, if there is any conflict between a provision in OneStar's terms and conditions and the Commission's Rules or a statute, the rule or statute will control.

In general, the Commission believes that a competitive telecommunications market results in services and rates that benefit the public. We believe that the acceptability of OneStar's services and rates in the market place provides an adequate test of the reasonableness of the Company's rates. Accordingly, we allow the rates proposed by OneStar to go into effect.

### **IV. INTERCONNECTION AGREEMENT(S)**

In order to provide local exchange service, a competitive local exchange carrier must, as a practical matter, obtain an interconnection agreement with the ILEC(s) providing service in any area where it intends to provide service. In the absence of such an agreement, it will not be possible for OneStar's customers to call customers of the ILEC(s), and vice versa. Interconnection agreements are governed by 47 U.S.C. § 252, and must be approved by this Commission.

If a CLEC makes a bona fide request for an interconnection agreement with an ILEC that is a "rural telephone company" as defined in 47 U.S.C. § 153(37), the "rural exemption" of 47 U.S.C. § 251(f) will apply. All of Maine's independent telephone companies are "rural telephone companies." A rural telephone company is not required to negotiate an interconnection agreement or provide interconnection until after the Commission, pursuant to 47 U.S.C. § 251(f)(1)(B), finds that the requirement "is not unduly economically burdensome, is technically feasible, and is consistent with [the universal service provisions of] section 254 . . . ." Although the service territory we grant today is statewide and RCN's terms and conditions do not limit its service territory, as a practical matter it cannot offer local exchange service in the service territory of a rural ILEC until such time as that ILEC's rural exemption is terminated.

As a condition of providing local exchange service, OneStar must comply with the terms of any interconnection agreements that it has reached with any ILECs and that have been approved by the Commission.

### **V. WAIVERS; REPORTING REQUIREMENTS**

As a condition of providing local exchange service, OneStar must comply with the terms of any applicable Commission orders or rules that may govern local interconnection and compensation for interconnection. OneStar shall also comply with

any applicable Commission Rules or orders that govern universal service, public safety and welfare, service quality and consumer rights.

Although OneStar has not requested a waiver from the requirements of Chapter 210 of the Commission's Rules, which governs telephone utility accounting, or from 35-A M.R.S.A. §§ 707 and 708, which govern reorganizations and affiliated interests, the Commission has the authority to grant such waivers on its own motion. Because OneStar's rates and operations are likely to be subject to market forces, we do not see any present need to subject the Company to those requirements. However, OneStar must report its annual intrastate gross operating revenues and its annual intrastate minutes for use for the purpose of determining its regulatory assessment.<sup>1</sup> If OneStar resells service to other switched or switchless telephone service providers, the Company must maintain its records so that it may separately identify those sales.

In addition, OneStar shall inform the Commission of any changes to its corporate structure and ownership and of any changes in the name under which it does business, as set forth in Ordering Paragraph No. 3. If necessary, it shall also refile its rate schedules and terms and conditions to reflect its new identity.

## **VI. OTHER REQUIREMENTS**

OneStar shall comply with all applicable rules of the Commission and statutes of the State of Maine.

## **VII. ORDERING PARAGRAPHS**

Accordingly, we

1. Grant, pursuant to 35-A M.R.S.A. §§ 2102 and 2105, the request of OneStar Long Distance, Inc. to provide competitive local exchange telephone service as a reseller in the Maine service area of the New England Telephone and Telegraph Company d/b/a Bell Atlantic - Maine;

2. Exempt OneStar Long Distance, Inc. from the requirements of Chapter 210 of the Commission's Rules, except that it must report the revenue and minutes of use information that is requested by the Commission, on or before April 1 of each year; and

3. Exempt OneStar Long Distance, Inc. from the approval requirements of 35-A M.R.S.A. §§ 707 and 708, provided that OneStar Long Distance, Inc. shall notify

<sup>1</sup>The Commission mails the annual reporting forms to carriers in January of each year. The completed forms are due by April 1 of each year.

the Commission of any reorganization, as defined in 35-A M.R.S.A. § 707(1)(A), that results in a merger, sale or transfer of a controlling interest of OneStar Long Distance, Inc. or of any entity that owns more than 50% of OneStar Long Distance, Inc. OneStar Long Distance, Inc. shall also provide notice of any other changes in the name under which it does business (d/b/a), any change of the location of its business office, and change of its contact person. OneStar Long Distance, Inc. shall provide the Administrative Director of the Commission with notice of any of the changes described within 30 days following the change. If necessary, OneStar Long Distance, Inc. shall amend its rate schedules and terms and conditions to reflect any change in identity.

4. Order that OneStar Long Distance, Inc.'s proposed terms and conditions and rate schedules (Original pages 1-7, Original page 8 (first replacement)) and Original pages 9-20, attached to this Order, shall be effective on the date of this Order.

5. Order that OneStar Long Distance, Inc. shall comply with all applicable rules of the Commission.

Dated at Augusta, Maine this 7th day of May, 1999.

BY ORDER OF THE COMMISSION

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Dennis Keschl  
Administrative Director

COMMISSIONERS VOTING FOR: Welch  
Nugent  
Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.